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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

ZOHO CORPORATION PVT. LTD,

Plaintiff,

V.

FRESHWORKS, INC.

Defendant.

Case No: 3:20-cv-01869-VC

THIRD AMENDED COMPLAINT FOR:

- (1) VIOLATION OF DEFEND TRADE SECRETS ACT;**
 - (2) VIOLATION OF CALIFORNIA UNIFORM TRADE SECRETS ACT;**
 - (3) VIOLATION OF THE COMPUTER FRAUD AND ABUSE ACT (18 U.S.C § 1030)**

Zoho Corporation Pvt. Ltd. (“Plaintiff” or “Zoho”), by and through its attorneys, brings this Third Amended Complaint against Defendant Freshworks, Inc. (“Defendant” or “Freshworks”) and alleges as follows:

INTRODUCTION

1. Zoho, one of the world's leading providers of web-based business software and information technology tools, brings this action because Freshworks has unlawfully obtained and used Zoho's confidential, proprietary, and trade secret information.

2. Freshworks, founded by two former Zoho employees, Girish Mathrubootham (formerly a Vice President of Product Management at Zoho) and Shan Krishnasamy (formerly a Zoho Technical Architect working under Mr. Mathrubootham), unlawfully accessed Zoho's password-protected confidential internal customer relationship management (CRM) database and used Zoho's proprietary information therefrom and then lied about it.

3. Zoho's CRM houses compilations of Zoho's confidential information including: a comprehensive list of all of its customers and their contact information (including the identity of individuals within customer organizations, private email addresses and phone numbers), customer purchasing history (including prices paid, specific products purchased, and revenue received from customers), customer product preferences (including product and feature suggestions), customer engagement history (including communications between Zoho sales personnel and customers), lists of leads and related contact information (including the identity of individuals within lead organizations, private email addresses and phone numbers), lead product preferences and interests, communications with leads, the identity of potential customers who have signed up for free trials of specific products and related contact information, information about Zoho Partners including contact information of individuals within the Partner organization (private emails and phone numbers), and a Partner's customer lists and sales history (including revenue reports reflecting Partner performance).

4. Zoho's CRM also integrates with other internal Zoho systems including its help desk system such that bug reports and product fixes are available through Zoho's CRM. Zoho's product and customer specific revenue figures are also integrated into Zoho's CRM such that someone with access to Zoho's CRM can review and obtain product and customer specific revenue reports.

1 5. The information contained in Zoho's CRM is the product of Zoho's more than two
2 decade history in the business software industry. Zoho has spent millions of dollars and countless
3 man hours studying and learning about the needs of the business software market. Through this
4 effort Zoho has developed a vast knowledge of the business software market including developing a
5 network of customer and potential customer contacts and developing a deep catalogue of
6 requirements, product interests, and feature requests for those customers and prospects.

7 6. Because this information is of tremendous value for product and feature development
8 and for sales efforts, Zoho maintains this information in strict confidence. Access to Zoho's internal
9 CRM database is limited to employees with roles and responsibilities requiring access. Zoho also
10 protects this data through two-factor authentication and password protection protocols. Zoho also
11 requires its employees to execute non-disclosure agreements promising to keep any Zoho trade
12 secrets, confidential business information, technical information, and non-public know-how
13 (including information regarding company finances, employees, compensation, research and
14 development, manufacturing and marketing) in confidence and not to disclose such information
15 outside of Zoho both during and after their employment.

16 7. Earlier this year, and by pure chance, Zoho discovered incontrovertible evidence that
17 Freshworks illegally accessed Zoho's CRM without authorization and misused confidential Zoho
18 information that exists only in Zoho's CRM. Specifically, between January 3, 2020 and February 24,
19 2020, Freshworks Regional Head, Mallikarjun "Arjun" Ravikumar, contacted Zoho customers, at
20 least one Zoho Partner, and at least three internal Zoho customer profiles (customer profiles created
21 solely for Zoho internal testing) using information that was available only through Zoho's CRM. On
22 multiple occasions, when asked how Freshworks obtained the contact information, Mr. Ravikumar
23 fabricated stories to hide Freshworks' tracks. In one instance, he claimed to have accidentally typed
24 the wrong domain. In another, he lied and stated that he received Zoho test accounts from a channel
25 partner.

26 8. While the full scope of Freshworks' improper access to Zoho's CRM and its misuse of
27 the proprietary data therein cannot be known to Zoho at this time, on information and belief, it is
28 broad and systematic. Even before Zoho discovered Mr. Ravikumar's improper conduct, Zoho

1 customers had complained to Zoho that shortly after signing up for Zoho products via Zoho's online
2 store, they were contacted by Freshworks offering competing solutions. On information and belief,
3 these customers had not made their contact information available to Freshworks and had not made
4 public that they were in the market for Zoho or Freshworks solutions. On information and belief,
5 Freshworks obtained this customer contact and product preference information from Zoho's CRM.
6 Similarly, Zoho's higher performing channel Partners have complained that Freshworks has
7 aggressively targeted them to convert them to become Freshworks partners. On information and
8 belief, Freshworks obtained information about Zoho Partners including contact information and
9 information about the Partner's sales performance from Zoho's CRM.

10 9. In addition, Freshworks' historical conduct indicates that its misappropriation of Zoho
11 confidential CRM data, on information and belief, is broad and systematic. Freshworks has a history
12 of using Zoho confidential information for its own economic benefit. Within eight months of his
13 departure from Zoho, Freshworks' founder, Mr. Mathrubootham, improperly included Zoho
14 confidential product-specific revenue figures in early Freshworks investor pitch materials to secure
15 initial investments. Although Mr. Mathrubootham removed the information from future pitch
16 materials and promised not to use Zoho confidential information in the future, Freshworks has also
17 targeted Zoho's employees, hiring more than one hundred Zoho employees who have had access to
18 Zoho confidential information. Though Zoho cannot know at this time if Freshworks has obtained
19 Zoho confidential information from these hires in violation of their non-disclosure obligations,
20 Freshworks' business conduct strongly indicates it has. Freshworks' product offerings over the years
21 have mirrored Zoho's in both substance and timing. Similarly, Freshworks' press releases were
22 mysteriously launched on the same days as Zoho's.

23 10. Though the full scope of Zoho's misconduct is unknown at this time, it is indisputable
24 that Freshworks has stolen and used Zoho confidential business information and trade secrets –
25 thereby piggybacking on Zoho's long-term investments to compete in the marketplace. In light of
26 this, Zoho brings this complaint to prevent any further theft and misuse of its proprietary trade secret
27 information, to prevent Freshworks from continuing to disrupt its business relationships, and to stop
28 Freshworks from gaining an unfair business advantage through Zoho's hard work and leadership in

1 the industry. Zoho has suffered and will continue to suffer if Freshworks is allowed to continue its
2 illegal tactics to access and use Zoho trade secrets.

3 **PARTIES**

4 11. Zoho is a corporation duly organized and existing under the laws of the country of
5 India, with a principal place of business at Estancia IT Park, Plot No. 140 & 151, GST Road,
6 Vallancherry Village, Chengalpattu Taluk, Kanchipuram District 603 202, India, and is the parent of
7 Zoho Corporation, a wholly owned subsidiary corporation duly organized and existing under the laws
8 of the State of California, having its principal place of business at 4141 Hacienda Drive, Pleasanton,
9 California 94588.

10 12. Freshworks is a company organized and existing under the laws of the State of
11 Delaware, with its headquarters located at 2950 S. Delaware Street, Suite 201, San Mateo, CA 94403.

12 **JURISDICTION AND VENUE**

13 13. This Court has personal jurisdiction over Freshworks because Freshworks is
14 headquartered in this judicial district and has systematic and continuous contacts with the District.

15 14. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331
16 because Zoho alleges a claim under the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1836, *et seq.*
17 and the Computer Fraud and Abuse Act, 18 U.S.C. § 1030. The Court has subject matter jurisdiction
18 over any related state law claims under 28 U.S.C. § 1367.

19 15. Venue is proper in this district under 28 U.S.C. § 1391, because a substantial part of
20 the acts constituting and injuries arising from the trade secret misappropriation, and interference with
21 business relationships asserted herein have occurred and are occurring or have effect in this judicial
22 district.

23 16. For purposes of intradistrict assignment under Civil Local Rules 3-2(c) and 3-5(b), this
24 action will be assigned on a district-wide basis.

25 **FACTUAL ALLEGATIONS**

26 27 A. **Zoho Built Its Success Upon Its Deep Understanding of the Needs of Mid-Size
Companies**

1 17. Since its founding in 1996, Zoho has grown to a global software company with over
2 7,000 employees world-wide. Starting out with just a single network management software product,
3 almost twenty-five years later, Zoho now operates three divisions: (1) ManageEngine, offering a
4 suite of over 30 IT management software products from service management, to IT operations
5 management, to IT security management and analytics; (2) WebNMS, an enterprise-scale Internet of
6 Things (IoT) platform that enables business to manage remote assets, from data acquisition to device
7 management; and (3) Zoho.com, a web-based offering of over 50 apps addressing the software needs
8 of all departments within an organization, from CRM tools for sales departments, to email and
9 document management software for project management, to accounting and invoicing software for
10 finance departments, to recruiting and staff management tools for human resources.

11 18. Having engaged with mid-size companies over the last two decades to understand
12 their software needs, Zoho has developed a vast knowledge of the business software market,
13 including developing a network of customer and potential customer contacts and developing a deep
14 catalogue of requirements, product interests, and feature requests for those customers and prospects.
15 In addition to its internal sales channels, Zoho has invested significantly in building relationships
16 with business Partners to provide end-users with the best possible software tools. Zoho Partners
17 often integrate their respective technologies and provide robust solutions to customers. Zoho also
18 works with channel partners who may resell Zoho products or use Zoho products when providing end
19 services to clients. Zoho's culture of building relationships, services and products that benefit users
20 in the long-term helps to nurture these partnerships and build Zoho's ecosystem.

21 19. As explained above, much of Zoho's critical business and market information is
22 maintained in its CRM. This is more than just a list of customers and contact information. It is a
23 centralized hub that includes the following confidential compilations of data:

- 24 - A comprehensive list of Zoho customers including contact information (private email
25 addresses and phone numbers)
26 - Identities of the key customer personnel and contact information for them (private email
27 addresses, private phone numbers)

- Zoho customer engagement history (including dates and manner of contact between Zoho and customer, the substance of communications between Zoho and customer, which include pricing information, product requirements, and feature suggestions (actual email communications and Zoho sales personnel notes))
- Zoho customer purchasing history
- Zoho customer product preferences
- Zoho customer feature suggestions
- Price negotiations between Zoho and its customers
- Prices paid by Zoho customers
- Revenue received from Zoho customers
- A comprehensive list of Zoho product users who have signed up for free trials of Zoho products online and contact information for the users (including private email addresses and phone numbers)
- A list of Zoho sales prospects (leads) and related contact information (private email addresses and phone numbers)
- Zoho lead product preferences
- Zoho lead feature preferences
- Zoho lead engagement history (including dates and manner of contact between Zoho and the lead, the substance of communications between Zoho and the lead (actual email communications and Zoho sales personnel notes))
- A comprehensive list of Zoho Partners including contact information for the Partners (the identity of relevant personnel within the Partner, private email addresses and phone numbers)
- Zoho Partner customer identities and contact information (private email addresses and phone numbers)
- Zoho Partner customer engagement history
- Zoho Partner sales performance including revenue received from the Partner's sales efforts
- Compilations of Zoho product specific revenue figures
- Compilations of Zoho customer revenue figures

- Zoho product bug reports and bug fixes
 - Zoho customer survey results reflecting Zoho customers' feedback on Zoho products and customer support experience

4 20. Zoho has spent countless hours developing and maintaining this information. Because
5 this information is of tremendous value for product and feature development and for sales efforts,
6 Zoho maintains this information in strict confidence. All Zoho business Partners are bound by strict
7 confidentiality provisions, and all Zoho employees are required to execute non-disclosure
8 agreements, prohibiting them from using or disclosing Zoho confidential and proprietary information
9 outside of their work duties. These confidentiality obligations extend to all non-public Zoho
10 information, including customer lists, potential leads, technical information, marketing strategy, and
11 product ideas and feedback. Access to Zoho's internal CRM database is limited to employees with
12 roles and responsibilities requiring access. Zoho limits access to its accounts through two-factor
13 authentication and password protection protocols.

14 21. The secrecy of Zoho's CRM provides substantial competitive advantage to Zoho as
15 access to it would provide its competitors (here, Freshworks) with Zoho's knowledge regarding all
16 aspects of its business, including potential customers, their business requirements, and pricing
17 preferences. It would allow Freshworks, among things, to (1) avoid having to expend the time and
18 resources to identify and target sales leads, (2) do the development and testing work needed to
19 identify features and functionalities potential customers may want, (3) undercut Zoho on pricing
20 using confidential information, enabling Freshworks to get a head start competing against Zoho, and
21 (4) identify and take over Zoho's most strategically beneficial partner relationships.

B. Freshworks Has Obtained and Used Zoho's Trade Secrets

23 22. On information and belief, Freshworks has engaged in a concerted effort to steal Zoho
24 confidential competitive sales information including confidential customer lists, sales leads, key
25 contact information for such customers and leads, customer requirements, and details about Zoho
26 Partner relationships that are integral to Zoho's product development, marketing, and sales strategies.

1 have complained that shortly after acquiring Zoho products, they were contacted by Freshworks
2 offering competing solutions. For example, in early 2019, Dubai Taxi, sought a ManageEngine quote
3 through an online submission. Shortly after doing that, on information and belief, Freshworks
4 contacted the customer offering a competing solution. On information and belief, Dubai Taxi had not
5 made its contact information available to Freshworks and had not made any public indication that it
6 was in the market for ManageEngine or Freshworks solutions. Similarly, around the same time, on
7 information and belief, Sharjah University also sought a ManageEngine quote via an online
8 submission. Shortly after doing that, on information and belief, Freshworks contacted the customer
9 offering a competing solution. On information and belief, Sharjah University had not made its
10 contact information available to Freshworks and had not made any public indication it was in the
11 market for ManageEngine or Freshworks solutions.

12 **24.** Over the last two years, Freshworks has also been contacting Zoho's higher
13 performing Partners in an effort to convert them to be Freshworks Partners. Zoho has been
14 concerned that Freshworks had access to confidential Partner information including confidential
15 information regarding which of its Partners are most successful.

16 **25.** Then, earlier this year, Zoho obtained indisputable evidence that Freshworks had
17 gained access to and made use of confidential information in Zoho's CRM. Specifically, Freshworks
18 sent solicitations to email addresses that exist solely in Zoho's CRM. For example, on February 24,
19 2020, Mallikarjun "Arjun" Ravikumar – a Freshworks Regional Head – sent out several emails to
20 customers listed in Zoho's confidential CRM database. Among them was the following email sent to
21 n*****@a*****.com, a Zoho client who had registered with Zoho CRM and was entered into
22 Zoho's database on January 23, 2020:

23
24
25
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28

1 From: Mallikarjun Ravikumar <mallikarjun.ravikumar@freshworks.com>
2 Sent: Monday, February 24, 2020 10:56:13 PM
3 To: [REDACTED]
4 Subject: Hi [REDACTED] Introducing Freshworks
5
6 Hi [REDACTED]
7 I'm Arjun, regional head for Freshworks. Freshworks is a cloud-based SaaS company in the customer engagement space with 150,000 plus business customers worldwide, funded by top VCs such as Accel, Google Capital, Tiger and Sequoia with a valuation of over 1.5 Billion USD.
8 We are also a part of [Gartner's Magic Quadrant for CRM Customer Engagement Center](#).
9 I'm reaching out today to introduce Freshworks as a company and our products!
10 About Us: [Freshworks](#) is a fast-growing SaaS company based out of Chennai shipping products with the theme "Winning Customers for Life". We streamline the entire buying journey by delivering a solution for Website Engagement, Marketing Automation(Chat), CRM, Customer Support and IT Infrastructure.
11 Our Products:
12 1. Freshdesk - Helping the customer support agents with **Customer Support desk** to engage and respond to the customer queries from multiple channels.
13 2. Freshservice - **ITIL aligned ITSM** tool that helps the IT team to communicate better with the employees and makes the IT support process simple and handy. (IT Infrastructure & employee engagement)
14 3. Freshsales - High-velocity sales teams require a platform where they can see their customer or prospect journey in birds-eye view and pitch or sell accordingly. **Freshsales CRM** is one such tool that helps the sales team to attract, nurture, Convert and close deals, with its in-built phone and email system it will be loved by salespeople (Including myself !).
15 4. Freshchat/Freshbot - Modern live Chat that engages customers with any given point of time and New age AI-Driven BOT to eliminate basic human tasks in engagement space.
16 5. Freshteam - Smart HR software that helps you handle recruiting, on-boarding, time off and employee information in one place.
17 6. Freshrelease - Agile Project Management tool that allows you to track test results, triage bugs and ship quality software on time
18 For more details on any of these products and to see how these would help your organisation, drop me an email and I'll be happy to help.
19 Looking forward to hearing from you!
20
21  Mallikarjun Ravikumar
Regional Head - Freshworks
P: +91 9655518023
w: www.freshworks.com
Our Products
22
23 [Unsubscribe](#)

13 26. In response to questioning by the customer as to where Freshworks received the
14 customer's contact information, Mr. Ravikumar attempted to cover up his misconduct and responded
15 that he had used the wrong domain name:

16 From: Mallikarjun Ravikumar <mallikarjun.ravikumar@freshworks.com>
17 Sent: Monday, February 24, 2020, 11:27 PM
18 To: [REDACTED]
Subject: Re: Hi [REDACTED] Introducing Freshworks
Hi [REDACTED]
Apologies . I had sent to a [REDACTED] instead of a [REDACTED] I will have your ID immediately removed .
Regards,
[REDACTED]

On Mon, 24 Feb 2020, 10:59 pm [REDACTED] > wrote:
Curious to know how you got my email address? Do you comply with GDPR?

Thanks,
[REDACTED]

25 27. That, however, was not the only instance of Freshworks' contacting Zoho customers
26 using information that exists only in Zoho's confidential CRM. That same day, Freshworks also sent
27 the same marketing email to a Zoho Partner:

<p>From: Malikarjun Ravikumar <malikarjun.ravikumar@freshworks.com> Date: Mon, 24 Feb 2023 at 17:28 Subject: Hi Zohoomplus, Introducing Freshworks To: Zohoomplus sas <zohoomplus@████████.com></p> <p>Hi Zohoomplus,</p> <p>I'm Arjun, regional head for Freshworks. Freshworks is a cloud-based SaaS company in the customer engagement space with 150,000 plus business customers worldwide, funded by top VCs such as Accel, Google Capital, Tiger and Sequoia with a valuation of over 1.5 Billion USD.</p> <p>We are also a part of Gartner's Magic Quadrant for CRM Customer Engagement Center.</p> <p>I'm reaching out today to introduce Freshworks as a company and our products!</p> <p>About Us: Freshworks is a fast-growing SaaS company based out of Chennai shipping products with the theme "Winning Customers for Life". We streamline the entire buying journey by delivering a solution for Website Engagement(Marketing Automation/Chat, CRM, Customer Support and IT Infrastructure.</p> <p>Our Products:</p> <ol style="list-style-type: none">1. Freshdesk - Helping the customer support agents with Customer Support desk to engage and respond to the customer queries from multiple channels.2. Freshservice - ITIL aligned ITSM tool that helps the IT team to communicate better with the employees and makes the IT support process simple and handy. (IT Infrastructure & employee engagement)3. Freshsales - High-velocity sales teams require a platform where they can see their customer or prospect journey in birds-eye view and pitch or sell accordingly. Freshsales CRM is one such tool that helps the sales team to attract, nurture, Convert and close deals with its in-built phone and email system it will be loved by salespeople (including myself! P).4. Freshchat/Freshbot - Modern live Chat that engages customers with any given point of time and New age AI-Driven BOT to eliminate basic human tasks in engagement space.5. Freshteam - Smart HR software that helps you handle recruiting, on-boarding, time off and employee information in one place.6. Freshrelease - Agile Project Management tool that allows you to track test results, triage bugs and ship quality software on time <p>For more details on any of these products and to see how these would help your organisation, drop me an email and I'll be happy to help.</p> <p>Looking forward to hearing from you!</p> <p> Mallikarjun Ravikumar Regional Head - Freshworks P: +91 9655518023 w: www.freshworks.com</p> <p>Our Products</p> <p>Unsubscribe</p>
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28. The Zoho Partner created the email account for the sole purpose of testing Zoho's CRM plus product, registering it with Zoho's CRM on January 29, 2020. The Partner has never used the email address anywhere else for any other purpose:

----- Forwarded message -----
From: [REDACTED]
[REDACTED] >
Date: Mon 24 Feb 2020, 17:32
Subject: Fwd: Hi Zohocrmplus, Introducing Freshworks
To: [REDACTED] [REDACTED] >

This email came in to an email address I set up while testing something with CRM Plus. I havent used it for anything else, so I wonder how Freshdesk got hold of it...?

[REDACTED]

[REDACTED] Customer Success Manager,
[REDACTED]

29. Indeed, Zoho created several Zoho test accounts and registered them with Zoho's CRM on February 4, 2020 and February 12, 2020. Three test email accounts that exist only in Zoho's CRM also received the same marketing email from Freshworks on February 24, 2020. One of them, set up as [Showzohooneplus@gmail.com](mailto>Showzohooneplus@gmail.com), received the following email from Freshworks:

1 On Mon, Feb 24, 2020 at 11:01 PM Mallikarjun Ravikumar <mallikarjun.ravikumar@freshworks.com> wrote:

2 Hi Showzohooneplus,

3 I'm Arjun, regional head for Freshworks. **Freshworks** is a cloud-based SaaS company in the customer engagement space with 150,000 plus business customers worldwide, funded by top VCs such as Accel, Google Capital, Tiger and Sequoia with a valuation of over 1.5 Billion USD.

4 We are also a part of **Gartner's Magic Quadrant for CRM Customer Engagement Center**.

5 **I'm reaching out today to introduce Freshworks as a company and our products!**

6 About Us: **Freshworks** is a fast-growing SaaS company based out of Chennai shipping products with the theme "Winning Customers for Life". We streamline the entire buying journey by delivering a solution for Website Engagement(Marketing Automation/Chat), CRM, Customer Support and IT Infrastructure.

7 Our Products:

8 1. Freshdesk - Helping the customer support agents with **Customer Support** desk to engage and respond to the customer queries from multiple channels.

9 2. Freshservice - **ITIL aligned ITSM** tool that helps the IT team to communicate better with the employees and makes the IT support process simple and handy. (IT Infrastructure & employee engagement)

10 3. Freshsales - High-velocity sales teams require a platform where they can see their customer or prospect journey in birds-eye view and pitch or sell accordingly. **Freshsales CRM** is one such tool that helps the sales team to attract, nurture, Convert and close deals, with its in-built phone and email system it will be loved by salespeople (Including myself :P).

11 4. Freshchat/Freshbot - Modern live Chat that engages customers with any given point of time and New age AI-Driven BOT to eliminate basic human tasks in engagement space.

12 5. Freshteam - Smart HR software that helps you handle recruiting, on-boarding, time off and employee information in one place.

13 6. Freshrelease - Agile Project Management tool that allows you to track test results, triage bugs and ship quality software on time

14 For more details on any of these products and to see how these would help your organisation, drop me an email and I'll be happy to help.

15 Looking forward to hearing from you!

16  **Mallikarjun Ravikumar**
Regional Head - Freshworks
P: +91 9655518023
w: www.freshworks.com

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19 30. In response to follow up inquiry as to how Freshworks received the email address, Mr.
 20 Ravikumar responded that he received it from a channel partner who also sells Zoho products, despite
 21 the fact that Zoho has never shared this Showzohooneplus test email account with anyone:

22 From: **Mallikarjun Ravikumar** <mallikarjun.ravikumar@freshworks.com>
 23 Date: Wed, Mar 4, 2020 at 4:13 PM
 24 Subject: Re: Hi Showzohooneplus, Introducing Freshworks
 25 To: showzohooneplus <showzohooneplus@gmail.com>

26 I'm sorry we are not supposed to share partner details. Having said that, I had a discussion with the partner and he claims that he also resells Zoho products.

27 Best regards,

28  **Mallikarjun Ravikumar**
Regional Head - India & SAARC, Freshworks
P: +91 9655518023
w: www.freshworks.com

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31 On Wed, Mar 4, 2020 at 9:20 AM showzohooneplus <showzohooneplus@gmail.com> wrote:
 32 Thanks, can you also give me the contact details of the partner you are referring to? Let me talk to them to understand how they got my email address.

33 Rupi

34 On Tue, Mar 3, 2020 at 8:40 PM Mallikarjun Ravikumar <mallikarjun.ravikumar@freshworks.com> wrote:

35 Hi,
 36 It was from one of our channel partners who had sent us this E-mail id claiming you have shown interest. I have no idea on his source. Let me clarify from them on the same. Having said that, I will remove your E-mail from all the records and avoid further communication.

37  **Mallikarjun Ravikumar**
Regional Head - India & SAARC, Freshworks
P: +91 9655518023
w: www.freshworks.com

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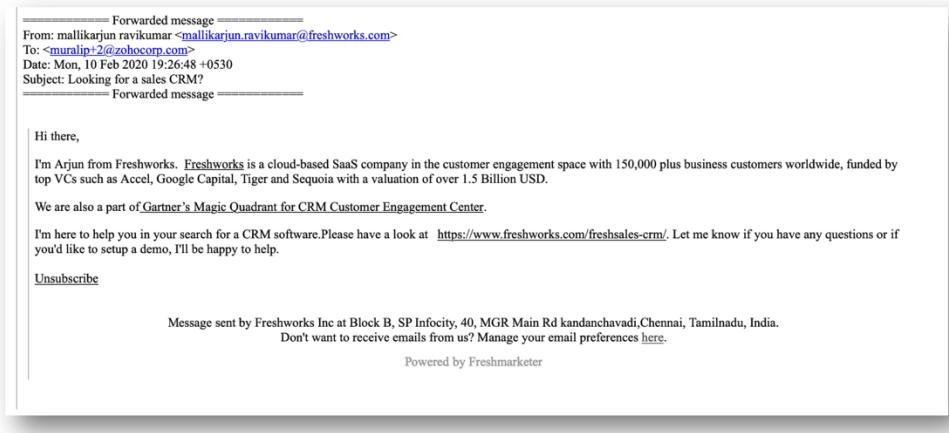
40 On Tue, Mar 3, 2020 at 12:09:15 GMT+05:30, showzohooneplus <showzohooneplus@gmail.com> wrote:
 41 Hey Arjun,

42 It is interesting to see that I have received this email without signing up to your service or website. Did you buy some list? or how did you get my email?

43 Thanks,
 44 Rupi

45 31. Just a few days earlier, on February 10, 2020, two other Zoho test accounts using
 46 Zoho email addresses created solely for internal Zoho testing and registered with Zoho's CRM on

1 January 2 and 3, 2020 received marketing emails from Freshworks. For example, a test
 2 muralip+2@zohocorp.com email account received the following email from Mr. Ravikumar of
 3 Freshworks:



11 32. As Zoho’s test accounts are not registered or used anywhere else, use of such test
 12 accounts show that Freshworks accessed Zoho’s confidential CRM database sometime between
 13 registration of Zoho’s “muralip+2” test account into its CRM on January 3, 2020 and Freshworks’
 14 sending of the February 10, 2020 marketing email.

15 33. Freshworks again gained access to Zoho’s CRM database at least once sometime
 16 between the February 12, 2020 registration of Zoho’s test account into its CRM and Freshworks’
 17 sending of its February 24, 2020 marketing email to the test accounts. While these are the instances
 18 of unauthorized access of Zoho’s CRM that Zoho is aware of from its test accounts and discussions
 19 with customers, the full scope of Freshworks’ systematic and unlawful breaches into Zoho’s
 20 confidential CRM, and the full effects of those violations, are unknown and cannot be known to Zoho
 21 at this time. Zoho’s confidential internal CRM database contains not only customer contact
 22 information, it also contains sales leads, customer feedback on products and pricing, revenue figures,
 23 confidential internal communications, and customer requirements. Thus, on information and belief,
 24 Freshworks has unlawfully accessed all of this Zoho confidential and proprietary competitive
 25 business information and has already used some of this information for its competitive advantage.
 26
 27
 28

1 34. The full scope Freshworks' access to and use of Zoho confidential information in
 2 Zoho's CRM is yet to be known. However, based on Freshworks' history, it is, on information and
 3 belief, broad and systematic.

4 35. As explained above, Freshworks was founded by two former Zoho employees. Just
 5 eight months after founding Freshworks, when marketing and seeking investments in Freshworks,
 6 one of its founders, Mr. Mathrubootham, used non-public Zoho revenue numbers for Zoho
 7 ServiceDeskPlus and OpsManager, product lines he was responsible for while at Zoho, in Freshworks
 8 materials. Mr. Mathrubootham disclosed Zoho's confidential revenue figures to investors in pitch
 9 materials and in published interviews, presumably suggesting that his Freshdesk product would
 10 perform similarly. When confronted about this transgression, Mr. Mathruboom agreed to and did
 11 remove Zoho's confidential revenue information from Freshworks' investment pitch materials.

12 36. Despite agreeing not to use any Zoho confidential information, Freshworks focused its
 13 recruitment efforts on Zoho personnel in an effort to, on information and belief, obtain access to
 14 Zoho confidential information. Knowing that Zoho employees have access to and retain valuable
 15 information regarding Zoho customers and leads including specific customer needs, business
 16 prospects, product requirements, development roadmaps, and revenue numbers, Freshworks
 17 aggressively recruited Zoho employees to join Freshworks. In the ten years since its founding,
 18 Freshworks has recruited over one hundred employees from Zoho. The Zoho team in charge of
 19 Zoho's SalesIQ and Click products, for example, has seen what, at one point, constituted almost a
 20 third of its workforce leave for Freshworks in the past few years. In the first two months of 2020
 21 alone, another seven Zoho technical and sales employees have been recruited by Freshworks.
 22 Recruitment of Zoho employees alone would not be an issue. Freshworks, however, knows that
 23 Zoho employees have unique knowledge of the market landscape, sales opportunities, and Zoho's
 24 development paths for its business tools. On information and belief, Freshworks specifically directs
 25 recruitment at Zoho employees to gain access to this type of Zoho's confidential customer,
 26 marketing, sales, and product development information.

27 37. Indeed, Freshworks' company strategy has been to track the launch and release of
 28 Zoho products. Its first product, Freshdesk, launched in June 2011, was a customer service solution

1 in direct competition with Zoho Support (Zoho's customer service solution). Since then, Freshworks
 2 released a series of products to compete with the software products offered by Zoho. In 2014,
 3 Freshworks released Freshservice, an IT Service Management (ITSM) tool which competes with
 4 Zoho's ServiceDesk Plus software, one of the products for which Mr. Mathrubootham managed
 5 product development, marketing, and customer support while at Zoho. ServiceDesk Plus is also the
 6 Zoho product for which Freshworks had and disclosed confidential revenue numbers. In 2016,
 7 Freshworks launched Freshsales to compete with Zoho CRM and in 2017, it launched Freshteam to
 8 compete with Zoho Recruit and Freshchat to compete with Zoho SalesIQ.

9 38. In addition to product development and sales, Freshworks' press releases have tracked
 10 Zoho's. On multiple occasions, Freshworks appears to have timed its press releases to coincide with
 11 Zoho's major product announcements in an effort to dull the market impact of the launch of new
 12 Zoho products, as shown below:

Date	Zoho Product Announcement	Freshworks Press Release
7/27/16	<ul style="list-style-type: none"> • Zoho announces launch of Zoho CRM product, the industries from multichannel CRM product (https://www.zoho.com/news/zoho-launches-industry-first-multi-channel-crm.html) • Zoho announces launch of SalesInbox (https://www.zoho.com/news/zoho-launches-the-first-email-client-designed-exclusively-for-salespeople.html) • Zoho announces Zoho Developer and Zoho Marketplace offerings (https://www.zoho.com/news/zoho-developer-and-zoho-marketplace-gives-developer.html) 	<ul style="list-style-type: none"> • Freshworks press release regarding (https://www.freshworks.com/press-release/getapp-names-freshdesk-category-leader/)
3/14/17	<ul style="list-style-type: none"> • Zoho announces launch of Zoho Finance Plus (https://www.zoho.com/news/zoho-launches-zoho-finance-plus.html) 	<ul style="list-style-type: none"> • Freshworks press release regarding partnership with Rolo, issued four days after Rolo's announcement of the same partnership (https://www.freshworks.com/press-release/freshdesk-partners-with-rolo/) and

		(https://www.getrolo.in/pr_mar10_2017/)
11/15/18	<ul style="list-style-type: none"> Zoho announces launch of Zoho Analytics – business intelligence and analytics platform (https://www.zoho.com/news/zoho-analytics-enables-organizations-to-make-smarter-business-decisions.html) Zoho announces major updates to Zoho Social (https://www.zoho.com/news/richer-analytics-makes-zoho-social-a-powerful-platform-for-social-media-marketers.html) Zoho announces updates to Zoho Desk (https://www.zoho.com/news/zoho-doubles-down-on-ai-as-it-sees-exponential-growth-in-its-customer-service-management-solution.htm) Zoho unveils next generation of Zoho CRM Plus (https://www.zoho.com/news/zoho-deepens-analytics-and-ai-in-new-customer-experience-platform.html) 	<ul style="list-style-type: none"> Freshworks press release regarding executive hires (https://www.freshworks.com/press-release/leadership-hires-cio-ciso/)

D. **Zoho Has Been Harmed by Freshworks' Unauthorized Access to and Use of Zoho Confidential and Trade Secret Information**

39. Zoho built its business on significant investment in its products, employees, customer and partner relationships, and understanding of the market. Zoho develops its products with a long-term vision of offering a suite of products and services that will address a company's entire software needs. That thorough understanding of customer requirements, which begins with Zoho's investment in internal talent through its employee training programs and ends with its own use and belief in its products, is what has enabled Zoho to amass a robust and loyal customer base. Its reputation, built over two decades in the industry, opens doors to sales leads and partnership opportunities.

40. By misappropriating Zoho's customer data, sales lead data, and market information, Freshworks is trying to shortcut the hard work and goodwill that is necessary to build a robust customer following. Freshworks' access to Zoho's CRM and contacting of Zoho customers, sales leads, and Zoho Partners using Zoho's confidential customer and sales information gives Freshworks

1 an unfair advantage by allowing it to, among other things, (1) avoid having to expend the time and
2 resources to identify and target sales leads, (2) avoid having to do the development and testing work
3 needed to identify features and functionalities potential customers may want, (3) undercut Zoho on
4 pricing using confidential information, enabling Freshworks to get a head start competing against
5 Zoho, and (4) identify and take over Zoho's most financially beneficial partner relationships.

6 41. It harms Zoho by potentially diverting customers or allowing Freshworks to undercut
7 Zoho on pricing or other sales terms.

8 42. With this action, Zoho seeks to vindicate its rights, prevent any further theft and
9 misuse of confidential, proprietary trade secret information, and obtain compensation for its damages
10 and for Freshworks' enrichment resulting from its unlawful conduct.

11 **FIRST CAUSE OF ACTION**
12 **(Violation of Defend Trade Secrets Act)**

13 43. Zoho incorporates all of the above paragraphs as though fully set forth herein.

14 44. Zoho owns and possesses certain confidential, proprietary, and trade secret
15 information. Zoho's owns the following trade secret compilations of data contained in its CRM:

- 16 - A comprehensive list of Zoho customers including contact information (private email
addresses and phone numbers)
- 17 - Identities of the key Zoho customer personnel and contact information for them (private email
addresses, private phone numbers)
- 18 - Zoho customer engagement history (including dates and manner of contact between Zoho and
customer, the substance of communications between Zoho and customer (actual emails
communications and Zoho sales personnel notes))
- 19 - Zoho customer purchasing history
- 20 - Zoho customer product preferences
- 21 - Zoho customer feature suggestions
- 22 - Price negotiations between Zoho and its customers
- 23 - Revenue received from Zoho customers

- A comprehensive list of Zoho product users who have signed up for free trials of Zoho products online and contact information for the users (including private email addresses and phone numbers)
- A list of Zoho sales prospects (leads) and related contact information (private email addresses and phone numbers)
- Zoho lead product preferences
- Zoho lead feature preferences
- Zoho lead engagement history (including dates and manner of contact between Zoho and the lead, the substance of communications between Zoho and the lead (actual emails communications and Zoho sales personnel notes))
- A comprehensive list of Zoho Partners including contact information for the Partners (the identity of relevant personnel within the Partner, private email addresses and phone numbers)
- Zoho Partner customer identities and contact information (private email addresses and phone numbers)
- Zoho Partner customer engagement history
- Zoho Partner sales performance including revenue received from the Partner's sales efforts
- Compilations of Zoho product specific revenue figures
- Compilations of Zoho customer revenue figures
- Zoho product bug reports and bug fixes
- Zoho customer survey results reflecting Zoho customers' feedback on Zoho products and customer support experience

45. Zoho's trade secrets relate to products and services used, sold, and ordered in, or intended to be used, sold, and/or ordered in, interstate and foreign commerce.

46. Zoho has taken reasonable measures to keep such information secret and confidential. For example, access to Zoho's CRM is limited to only those Zoho employees who need access to the information to perform their job responsibilities. All employees are subject to confidentiality agreements that prohibit employees from using or disclosing Zoho information outside of Zoho both

1 during and after their employment with Zoho. All channel partners with access to Zoho confidential
2 customer and product information are bound by strict confidentiality provisions.

3 47. Because of Zoho's confidentiality provisions, its confidential and proprietary trade
4 secret information is not available to others in the web-based business software industry to use
5 through any legitimate means.

6 48. Zoho's confidential and proprietary trade secret information derives independent
7 economic value from not being generally known to, and not being readily ascertainable through
8 proper means by, another person who could obtain economic value from the disclosure or use of that
9 information.

10 49. In violation of Zoho's rights, Freshworks misappropriated Zoho's confidential and
11 proprietary trade secret information in the unlawful manner as alleged herein. Specifically,
12 Freshworks has gained access to and used Zoho's trade secret customer, lead and Partner information
13 contained in Zoho's CRM. Freshworks' misappropriation of Zoho's confidential and proprietary
14 trade secret information was intentional, knowing, willful, malicious, fraudulent, and oppressive.
15 Freshworks has attempted and continues to attempt to conceal its misappropriation.

16 50. The acts of misappropriation done by Freshwork's employees alleged herein were
17 done within the scope of their employment and their misappropriation and use of Zoho's trade secrets
18 were incident to their duties.

19 51. On information and belief, if Freshworks is not enjoined, Freshworks will continue to
20 misappropriate and use Zoho's trade secret information for its own benefit and to Zoho's detriment.

21 52. As a direct and proximate result of Freshworks' conduct, Zoho has suffered, and if
22 Freshworks' conduct is not stopped, will continue to suffer severe competitive harm, irreparable
23 injury, and significant damages, in an amount to be proven at trial. Because Zoho's remedy at law is
24 inadequate, Zoho seeks, in addition to damages, preliminary and permanent injunctive relief to
25 recover and protect its confidential and proprietary trade secret information and to protect other
26 legitimate business interests. Zoho operates in a competitive market and will continue to suffer
27 irreparable harm absent injunctive relief.

53. Zoho has been damaged by all the foregoing and is entitled to an award of exemplary damages and attorneys' fees.

SECOND CAUSE OF ACTION

54. Zoho incorporates all of the above paragraphs as though fully set forth herein.

55. Zoho owns and possesses certain confidential, proprietary, and trade secret information. Zoho's owns the following trade secret compilations of data contained in its CRM:

- A comprehensive list of Zoho customers including contact information (private email addresses and phone numbers)
 - Identities of the key Zoho customer personnel and contact information for them (private email addresses, private phone numbers)
 - Zoho customer engagement history (including dates and manner of contact between Zoho and customer, the substance of communications between Zoho and customer (actual emails communications and Zoho sales personnel notes))
 - Zoho customer purchasing history
 - Zoho customer product preferences
 - Zoho customer feature suggestions
 - Price negotiations between Zoho and its customers
 - Revenue received from Zoho customers
 - A comprehensive list of Zoho product users who have signed up for free trials of Zoho products online and contact information for the users (including private email addresses and phone numbers)
 - A list of Zoho sales prospects (leads) and related contact information (private email addresses and phone numbers)
 - Zoho lead product preferences
 - Zoho lead feature preferences

- Zoho lead engagement history (including dates and manner of contact between Zoho and the lead, the substance of communications between Zoho and the lead (actual emails communications and Zoho sales personnel notes))
- A comprehensive list of Zoho Partners including contact information for the Partners (the identity of relevant personnel within the Partner, private email addresses and phone numbers)
- Zoho Partner customer identities and contact information (private email addresses and phone numbers)
- Zoho Partner customer engagement history
- Zoho Partner sales performance including revenue received from the Partner's sales efforts
- Compilations of Zoho product specific revenue figures
- Compilations of Zoho customer revenue figures
- Zoho product bug reports and bug fixes
- Zoho customer survey results reflecting Zoho customers' feedback on Zoho products and customer support experience

56. Zoho has taken reasonable measures to keep such information secret and confidential. For example, access to Zoho's CRM is limited to only those Zoho employees who need access to the information to perform their job responsibilities. All employees are subject to confidentiality agreements that prohibit employees from using or disclosing Zoho information outside of Zoho both during and after their employment with Zoho. All channel partners with access to Zoho confidential customer and product information are bound by strict confidentiality provisions.

57. Freshworks knew or should have known under the circumstances that the information misappropriated by it were trade secrets.

58. Freshworks misappropriated these trade secrets at least by acquiring trade secrets with knowledge of or reason to know that the trade secrets were acquired by improper means, and Freshworks is using the trade secrets acquired by improper means without Zoho's consent.

59. As a direct and proximate result of Freshworks' conduct, Zoho is threatened with injury and has been injured in an amount that will be proven at trial. Zoho has also incurred, and will continue to incur, additional damages, costs, and expenses, including attorneys' fees, as a result of

1 Freshworks' misappropriation. As a further proximate result of the misappropriation and use of
 2 Zoho's trade secrets, Freshworks was unjustly enriched.

3 60. Freshworks' misappropriation of Zoho's confidential and proprietary trade secret
 4 information was willful, malicious, and fraudulent. Freshworks is therefore entitled to exemplary
 5 damages under California Civil Code § 3426.3(c).

6 61. Freshworks' conduct constitutes transgressions of a continuing nature for which Zoho
 7 has no adequate remedy at law. Unless and until enjoined and restrained by order of this Court,
 8 Freshworks will continue to retain and use Zoho's trade secret information to enrich itself and divert
 9 business from Zoho. Pursuant to California Civil Code § 3426.2, Zoho is entitled to an injunction
 10 against the misappropriation and continued threatened misappropriation of trade secrets as alleged
 11 herein and further asks the Court to allow discovery into the scope of Freshworks' unauthorized
 12 access of and misappropriation of Zoho's trade secret, and to restrain Freshworks from using all trade
 13 secret information misappropriated from Zoho and to return all trade secret information to Zoho.

14 62. Pursuant to California Civil Code § 3426.4 and related law, Zoho is entitled to an
 15 award of attorneys' fees.

THIRD CAUSE OF ACTION
(Violation Of The Computer Fraud And Abuse Act (18 U.S.C § 1030))

16 63. Zoho incorporates all of the above paragraphs as though fully set forth herein.

17 64. Freshworks, by and through its employee acting in the course and scope of his
 18 employment, accessed Zoho's protected CRM database containing Zoho's confidential and
 19 proprietary information. In particular, Freshworks' Regional Head, Mallikarjun "Arjun" Ravikumar,
 20 has admitted under oath that between January and February 2020 he gained access to Zoho's CRM
 21 without permission approximately a dozen times. He has admitted that he gained access to the Zoho
 22 CRM to view and obtain contact information for Zoho's prospective customers. He admitted that
 23 through his access he ran reports from the Zoho CRM to generate lists of Zoho's prospects and took
 24 pictures of the reports in some instances and on others copied information from Zoho's CRM into
 25 spreadsheets. He admitted that he sent photos of information from Zoho's CRM to Freshworks'
 26 reseller partners. He also admitted that he uploaded the spreadsheets containing information from
 27 Zoho's CRM into Freshworks' CRM. These spreadsheets included over 4000 "leads" taken from
 28 Zoho's CRM.

1 Zoho's CRM. Ravikumar then used this information to blast marketing campaigns to those leads.
2 Ravikumar did these acts intentionally and with knowledge of the impropriety of such actions.
3 Indeed, when questioned about how he got the information he took from Zoho's CRM, he lied
4 on multiple instances as to the source of information. As such, Freshworks, by and through its
5 employee, wrongfully, knowingly and intentionally accessed Zoho's CRM database without
6 authorization and obtained information therefrom in violation of 18 U.S.C. § 1030(a)(2)(C).

7 65. Zoho's CRM database is a "protected computer" within the meaning of 18 U.S.C.
8 1030(e)(2).

9 66. As a result of Freshworks' conduct, by and through its employee, Zoho has suffered
10 damages including, without limitation, harm to the integrity of its computer systems, as well as losses
11 to such items as investigation costs, including attorneys' fees and internal Zoho time, in an amount to
12 be proven at trial, but, in any event, in an amount well over \$5,000.00, the minimum statutory
13 amount, aggregated over a one year period.

14 **DEMAND FOR JURY TRIAL**

15 67. Zoho respectfully requests a jury trial in this action under the Federal Rules of Civil
16 Procedure on all issues so triable.

17 **PRAYER FOR RELIEF**

18 WHEREFORE, Zoho demands judgment against Freshworks as follows:

19 1. Judgment in Zoho's favor against Freshworks on all causes of action alleged herein;
20 2. A preliminary and/or permanent injunction restraining Freshworks from accessing
21 Zoho's CRM and maintaining possession of, directly or indirectly disclosing, or further
22 misappropriating or directly using Zoho's confidential and proprietary information and trade secrets;

23 3. For an order requiring Freshworks to certify, in writing, under oath, that they have
24 returned and/or destroyed all Zoho's confidential and proprietary information and trade secrets, and
25 no longer have any such information, or materials containing or reflecting such information;

26 4. For an order requiring Freshworks to identify all Freshworks employees who have had
27 access to Zoho's confidential and proprietary information and trade secrets;

5. For an order enjoining any Freshworks employee who has had access to Zoho's confidential and proprietary information and trade secrets from being involved in sales or marketing products in competition with Zoho;

6. For compensatory damages, according to proof, with interest thereon as provided by law;

7. For exemplary damages;

8. For punitive damages;

9. For pre- and post-judgment interest on all damages;

10. For attorneys' fees;

11. For costs of suit as provided by law; and

12. For such further and other relief as the Court deems just and proper.

Dated: November 16, 2020

Respectfully submitted,

MARTON RIBERA SCHUMANN & CHANG LLP

By: /s/ Ryan J. Marton
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